
UNDERSTANDING YOUR INVESTMENT EXPERIENCE, ATTITUDE TO RISK & CAPACITY FOR LOSS

EDITION 9 November 2023



Name

.....

Date Completed

.....

INVESTOR EXPERIENCE

In order to help us better understand your previous experience with investments will you please complete the following 9 questions by placing a tick in the box which most reflects your experience

Q1.

Have you ever invested in cash-based savings and deposits, such as savings accounts, cash ISAs or savings bonds?

- 1 Yes, I invested after taking financial advice
- 2 Yes, I invested without taking financial advice
- 3 No

Q2.

Have you ever invested in pensions where you control the selection of funds that you invest in (not a final salary scheme)?

- 1 Yes, I invested after taking financial advice
- 2 Yes, I invested without taking financial advice
- 3 No

Q3.

Have you ever invested in collective investments such as funds in a stocks and shares ISA, OEICs, unit trusts or investment trusts?

- 1 Yes, I invested after taking financial advice
- 2 Yes, I invested without taking financial advice
- 3 No

Q4.

Have you ever bought or sold shares on the stock market?

- 1 Yes, I invested after taking financial advice
 - 2 Yes, I invested without taking financial advice
 - 3 No
-

Q5.

Have you ever invested in other investments (structured products, venture capital trusts, enterprise investment schemes, alternative investments or unregulated investments)?

- 1 Yes, I invested after taking financial advice
 - 2 Yes, I invested without taking financial advice
 - 3 No
-

Q6.

How often do you review the value of your pensions and investments?

- 1 I do not have any pensions or investments
 - 2 At least every 3 months
 - 3 Between 3 months and a year
 - 4 Less than once a year
 - 5 Only which I see a major financial event in the news
 - 6 I leave this to my financial adviser
-

Q7.

If the value of your investments has ever fallen, how did you respond?

- 1 I don't recall the value of my investments ever falling
- 2 Arranged a meeting with my financial adviser
- 3 Discussed it with my financial adviser at our next planned review
- 4 Took some or all of the remaining money out of the investment
- 5 Saw the fall in value as an opportunity and invested more
- 6 I took no action

Q8.

How would you describe your level of investment experience

- 1 Not at all experienced; I'm not very comfortable with investing.
- 2 Somewhat experienced; I understand the basics but still want some things explaining
- 3 Experienced: I'm comfortable with investing and have some understanding of the potential
- 4 risks rewards
- 5 I don't understand the question

Q9.

If you would like to make any other comment about your previous experience, education or profession which you feel may be relevant to your investment knowledge or experience, please do so below: - (optional)

CAPACITY FOR LOSS

Please read and answer the following three questions relating to either Income or Growth. There is no **right** or **wrong** answer, just the answer that reflects **your** view. Each answer is allocated a mark of 0, 1, 2 or 3. Your total score will allow us to advise you on the most appropriate investment direction for your pension or investment.

If you are an income seeking investor please complete questions 1 to 3 below only:

Q1.

How long do you intend to hold this investment before you start drawing an income from it ?

- 0 Within the first 5 years
 - 1 Between 5 and 10 years
 - 2 Over 10 years
 - 3 I do not have a fixed term
-

Q2.

How much would your standard of living be affected if the income from this investment were to fall below your expectations ?

- 0 It would have a significant impact. I cannot afford for this income to decrease and I will struggle financially
 - 1 It would cause me to re-assess my standard of living and make some cut-backs
 - 2 Not much as I have alternative investments to maintain my lifestyle
-

Q3.

If you needed emergency funds, would you consider taking them from this investment ?

- 0 I have no other alternative. I would most certainly need to access this investment
- 1 I would consider taking funds from this investment if necessary
- 2 No. I have other savings that I can use for emergencies

If you are a capital growth seeking investor please complete questions 1 to 3 below only:

Q1.

How long do you intend to hold this investment before you use it ?

- 0 Within the first 5 years
- 1 Between 5 and 10 years
- 2 Over 10 years
- 3 I do not have a fixed term

Q2.

How much would your standard of living be affected if the income from this investment were to perform below your expectations ?

- 0 It would have a significant impact. I cannot afford for this income to not meet my goals
- 1 It would cause me to re-assess my standard of living and make some cut-backs
- 2 Not much as I have alternative investments to maintain my lifestyle

Q3.

If you needed emergency funds, would you consider taking them from this investment ?

- 0 I have no other alternative. I would most certainly need to access this investment
- 1 I would consider taking funds from this investment if necessary
- 2 No. I have other savings that I can use for emergencies

Now add up your total score & check it against the capacity for loss scale on the next page:

TOTAL SCORE = _____ /7

Capacity for Loss – Scale of Loss

<i>Total</i>	<i>Capacity for Loss</i>	<i>Description</i>
0 to 1	Low capacity for loss	You cannot afford for the investment to not meet your objectives as failure to do so could have a significant consequence on your standard of living. This may be further compromised as there is a higher possibility that you may need access to the money within the investment time-line.
2	Low to Medium capacity of loss	You may be able to afford slight under-performance of the investment. This could have some consequences on your standard of living.
3 to 4	Medium capacity for loss	You may be able to afford some under-performance of the investment. This could cause you to adapt your standard of living.
5	Medium to High capacity for loss	You can afford to take some risk associated with investment as you can withstand some under-performance.
6 to 7	High capacity for loss	You can afford to take the risks associated with investment and can withstand any under-performance.

I confirm that my capacity to loss is:

CAPACITY

/ 7

I confirm that I have read, understood and agree with the assessment and explanation of my Investor Profile of this questionnaire. Please now proceed to implement your recommendations based on this assessment.

Signature

Name

Date

ATTITUDE TO RISK

Please read and answer the following ten questions. There is no **right** or **wrong** answer, just the answer that reflects **your** view. Each answer is allocated a mark of 1, 2, 3, 4, 5. Your total score will allow us to advise you on the most appropriate investment direction for your pension or investment.

Q1.

I would enjoy exploring investment opportunities for my money.

- | | | |
|---|--------------------------|---|
| 1 | <input type="checkbox"/> | I strongly disagree with this statement |
| 2 | <input type="checkbox"/> | I tend to disagree with this statement |
| 3 | <input type="checkbox"/> | In between |
| 4 | <input type="checkbox"/> | I tend to agree with this statement |
| 5 | <input type="checkbox"/> | I strongly agree with this statement |

Q2.

I would go for the best possible return even if there were risk involved.

- | | | |
|---|--------------------------|-----------|
| 1 | <input type="checkbox"/> | Never |
| 2 | <input type="checkbox"/> | Rarely |
| 3 | <input type="checkbox"/> | Sometimes |
| 4 | <input type="checkbox"/> | Usually |
| 5 | <input type="checkbox"/> | Always |

Q3.

How would you describe your typical attitude when making important financial decisions?

- | | | |
|---|--------------------------|--------------------|
| 1 | <input type="checkbox"/> | Very cautious |
| 2 | <input type="checkbox"/> | Fairly cautious |
| 3 | <input type="checkbox"/> | Average |
| 4 | <input type="checkbox"/> | Fairly adventurous |
| 5 | <input type="checkbox"/> | Very adventurous |

Q4.

If I had money invested in shares I would be nervous about the stock market falling in the short term.

- 1 I strongly agree with this statement
 - 2 I tend to agree with this statement
 - 3 In between
 - 4 I tend to disagree with this statement
 - 5 I strongly disagree with this statement
-

Q5.

What amount of risk do you feel you have taken with your past financial decisions ?

- 1 Very small
 - 2 Small
 - 3 Medium
 - 4 Large
 - 5 Very Large
-

Q6.

To reach my financial goal I prefer an investment which is safe and grows slowly but steadily, even if it means lower growth overall.

- 1 I strongly agree with this statement
 - 2 I tend to agree with this statement
 - 3 In between
 - 4 I tend to disagree with this statement
 - 5 I strongly disagree with this statement
-

Q7.

When I consider investments that have an element of risk I feel quite anxious.

- 1 I strongly agree with this statement
- 2 I tend to agree with this statement
- 3 In between
- 4 I tend to disagree with this statement
- 5 I strongly disagree with this statement

Q8.

Imagine that six months after making an investment the financial markets start to perform badly. In line with this, your own investment goes down by a significant amount. What would your reaction be ?

- 1 Transfer your money to a more secure investment product to reduce the risk of further losses
- 2 Monitor the investment and wait to see if it improves
- 3 Invest more funds to take advantage of the lower price, expecting future growth

Q9.

I am looking for high investment growth. I am willing to accept the possibility of greater losses to achieve this.

- 1 I strongly disagree with this statement
- 2 I tend to disagree with this statement
- 3 In between
- 4 I tend to agree with this statement
- 5 I strongly agree with this statement

Q10.

I usually feel confident where money is concerned.

- 1 I strongly disagree with this statement
- 2 I tend to disagree with this statement
- 3 In between
- 4 I tend to agree with this statement
- 5 I strongly agree with this statement

Q11.

If you had money to invest, how much would you be willing to place in an investment with possible high returns but a similar chance of losing some of your money ?

- 1 Very little, if any
- 2 Less than half
- 3 Half
- 4 More than half
- 5 All of it

Q12.

How do you think that a friend who knows you well would describe your attitude to taking financial risks ?

- 1 Very cautious and risk averse
 - 2 Careful
 - 3 A thoughtful risk taker
 - 4 Sometimes daring
 - 5 Daring
-

Q13.

If you had spare funds to invest, would you choose a risky investment for the excitement of seeing how it would perform ?

- 1 Very unlikely
 - 2 Unlikely
 - 3 Possibly
 - 4 Very likely
 - 5 Definitely
-

Q14.

If you had picked an investment with potential for large gains but also the risk of large losses how would you feel ?

- 1 Panicked and very uncomfortable
 - 2 Quite uneasy
 - 3 A little concerned
 - 4 Accepting of the possible highs and lows
 - 5 Excited by the potential for gain
-

Q15.

Imagine that you have some money to invest and a choice of two investment products, which option would you choose ?

- 1 A product with a low average annual return but almost no risk of loss of the initial investment
- 2 A product with a higher average annual return but some risk of losing part of the initial investment
- 3 A mixture of the two products

Q16.

I would prefer small certain gains to large uncertain ones.

- 1 I strongly agree with this statement
 - 2 I tend to agree with this statement
 - 3 In between
 - 4 I tend to disagree with this statement
 - 5 I strongly disagree with this statement
-

Q17.

When considering a major financial decision which statement BEST describes the way you think about the possible losses or the possible gains ?

- 1 I worry about the possible losses
 - 2 I am conscious of the possible losses
 - 3 I think about both the possible gains and losses
 - 4 I'm optimistic about possible gains
 - 5 I'm excited about the possible gains
-

Q18.

I want my investment money to be safe even if it means lower returns.

- 1 I strongly agree with this statement
 - 2 I tend to agree with this statement
 - 3 In between
 - 4 I tend to disagree with this statement
 - 5 I strongly disagree with this statement
-

Now add up your total score & check it against the investment scale on the next page:

TOTAL SCORE = _____ /86

Attitude to Investment – Scale of Risk

Range of Returns		Risk Profile	Risk Name	Risk Description	Investment Aim
Lower	Upper				
18	26	1	Very Defensive	You are not prepared to lose any of your money	<p>A Very Defensive risk investor is prepared to take only a very small amount of investment risk. They accept that their returns may fall short of inflation. This means that your portfolio will concentrate on investments which provide low returns in the long term but present low risk to your capital. A typical Very Defensive investor will be invested mostly in fixed interest and cash with a small element in equities and property which can boost longer term returns but are associated with more risk.</p> <p>A 'Risk Level 1' investor should be prepared to accept annual returns somewhere within the range of a 0.04% loss and a 7.60% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 1' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than 0.04% or gains greater than 7.60% at some point(s) during their investment in one year. Equity Content Guide 10%.</p>
27	31	2	Defensive	You accept the risk of a small loss to your money	<p>Defensive investors prefer taking a small amount of risk to achieve modest or relatively stable returns. They accept there may be some short term periods of fluctuation in value. This means that a Defensive portfolio will concentrate on investments which provide low returns in the long term but present low risk to your capital. A typical Defensive investor will be invested mostly in fixed interest and cash with a smaller element in equities and property which can boost longer term returns but are associated with more risk.</p> <p>A 'Risk Level 2' investor should be prepared to accept annual returns somewhere within the range of a -3.27% loss and a 12.39% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 2' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -3.27% or gains greater than 12.39% at some point(s) during their investment in one year. Equity Content Guide 20%.</p>

Attitude to Investment – Scale of Risk

Range of Returns		Risk Profile	Risk Name	Risk Description	Investment Aim
Lower	Upper				
32	35	3	Cautious	You accept the risk of a small to moderate loss to your money	<p>Cautious investors want to try and achieve a reasonable return, and are prepared to accept some risk in doing so. Typically these portfolios will exhibit modest yet frequent fluctuations in value. A Cautious investor is prepared to take a limited investment risk in order to increase the chances of achieving a positive return but will only want to risk a small part of their capital to achieve this. A typical Cautious portfolio will have up to 50% invested in fixed interest products which are low risk but have low returns. The other part of the portfolio will be invested in equities and property which can boost longer term returns but are associated with more risk.</p> <p>A 'Risk Level 3' investor should be prepared to accept annual returns somewhere within the range of a -6.60% loss and a 17.09% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 3' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -6.60% or gains greater than 17.09% at some point(s) during their investment in one year. Equity Content Guide 35%.</p>
36	42	4	Cautious to Balanced	You accept the risk of a moderate loss to your money	<p>Cautious to Balanced investors don't seek risky investments but don't avoid them either. They are prepared to accept fluctuations in the value of their investments to try and achieve better long term returns. These portfolios will be subject to frequent and at times significant fluctuations in value. Cautious to Balanced investors are prepared to take a limited investment risk in order to increase the chances of achieving a positive return but will only want to risk a small part of their capital to achieve this. A typical Cautious to Balanced portfolio will have up to 40% invested in fixed interest products which are low risk but have low returns. The larger part of the portfolio will be invested in equities and property which can boost longer term returns but are associated with more risk.</p> <p>A 'Risk Level 4' investor should be prepared to accept annual returns somewhere within the range of a -9.82% loss and a 21.63% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 4' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -9.82% or gains greater than 21.63% at some point(s) during their investment in one year. Equity Content Guide 45%.</p>

Attitude to Investment – Scale of Risk

Range of Returns		Risk Profile	Risk Name	Risk Description	Investment Aim
Lower	Upper				
43	48	5	Balanced	You accept the risk of a greater than moderate loss to your money	<p>Balanced investors aim for higher long term returns and understand that this can also mean some sustained periods of poorer performance. They are prepared to accept significant fluctuations in value to try and achieve better long term returns. Balanced investors are prepared to take a moderate amount of investment risk in order to increase the chance of achieving a positive return. Capital protection is less important than achieving a better return on the investment. A typical Balanced investor will usually invest in a variety of assets to obtain diversification. There would be a higher proportion of equities and property compared to fixed interest and cash. The range of asset types helps reduce the overall risks as well as increasing the chance of better returns.</p> <p>A 'Risk Level 5' investor should be prepared to accept annual returns somewhere within the range of a -13.04% loss and a 26.18% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 5' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -13.04% or gains greater than 26.18% at some point(s) during their investment in one year. Equity Content Guide 50%.</p>
49	55	6	Balanced	You accept the risk of a greater than moderate loss to your money	<p>Balanced investors aim for higher long term returns and understand that this can also mean some sustained periods of poorer performance. They are prepared to accept significant fluctuations in value to try and achieve better long term returns. Balanced investors are prepared to take a moderate amount of investment risk in order to increase the chance of achieving a positive return. Capital protection is less important than achieving a better return on the investment. A typical Balanced investor will usually invest in a variety of assets to obtain diversification. There would be a higher proportion of equities and property compared to fixed interest and cash. The range of asset types helps reduce the overall risks as well as increasing the chance of better returns.</p> <p>A 'Risk Level 6' investor should be prepared to accept annual returns somewhere within the range of a -16.40% loss and a 30.90% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 6' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -16.40% or gains greater than 30.90% at some point(s) during their investment in one year. Equity Content Guide 60%.</p>

Attitude to Investment – Scale of Risk

<i>Range of Returns</i>		<i>Risk Profile</i>	<i>Risk Name</i>	<i>Risk Description</i>	<i>Investment Aim</i>
<i>Lower</i>	<i>Upper</i>				
56	62	7	Balanced to Speculative	You accept the risk of a loss to your money	<p>Balanced to Speculative investors aim for high long term investment return and do not overly worry about periods of poorer performance in the short to medium term. Ordinarily the portfolio can be subject to the full extent and frequency of stock market fluctuations. Balanced to Speculative investors are prepared to take a higher degree of risk with their investment in return for the prospect of improving longer term investment performance. Short term capital protection is not important and they are willing to sacrifice some long term protection for the likelihood of greater returns. A typical Balanced to Speculative investor will be invested mainly in equities but with other assets included to provide some diversification. There may be a small amount of specialised equity within the portfolio.</p> <p>A 'Risk Level 7' investor should be prepared to accept annual returns somewhere within the range of a -19.63% loss and a 35.36% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 7' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -19.63% or gains greater than 35.36% at some point(s) during their investment in one year. Equity Content Guide 70%.</p>
63	68	8	Speculative	You accept the risk of a significant loss to your money	<p>Speculative investors aim for high long term investment returns and do not overly worry about periods of poorer performance in the short to medium term. Ordinarily these portfolios can be subject to the full extent and frequency of stock market fluctuations. Speculative investors are prepared to take a higher degree of risk with their investment in return for the prospect of improving longer term investment performance. Short term capital protection is not important and they are willing to sacrifice long term protection for the likelihood of greater returns. A typical Speculative investor will be invested mainly in equities but with other assets included to provide some diversification. There may be a small amount of specialised equity within the portfolio.</p> <p>A 'Risk Level 8' investor should be prepared to accept annual returns somewhere within the range of a -22.92% loss and a 39.82% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 8' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -22.92% or gains greater than 39.82% at some point(s) during their investment in one year. Equity Content Guide 80%.</p>

Attitude to Investment – Scale of Risk

Range of Returns		Risk Profile	Risk Name	Risk Description	Investment Aim
Lower	Upper				
69	74	9	Highly Speculative	You accept the risk of losing most or all of your money	<p>Highly Speculative investors take risks with capital and understand in some circumstances they could lose all of their money and that big losses may occur quite frequently. Highly Speculative investors are prepared to take a substantial degree of risk with their investment in return for the prospect of the highest possible longer term investment performance. Highly Speculative investors appreciate that over some periods of time there can be significant falls, as well as rises, in the value of their investment and that they may get back less than invested. This strategy holds significant risk in the shorter term. A typical Highly Speculative investor will be invested in equities, both in the UK and overseas. There may be a significant proportion of the investment in specialised equities.</p> <p>A 'Risk Level 9' investor should be prepared to accept annual returns somewhere within the range of a -26.38% loss and a 44.44% gain - returns within this range would be expected 95% of the time. It should be remembered that there is a 5% chance that a 'Risk Level 9' portfolio will experience an annual return outside this range - this means an investor may experience losses greater than -26.38% or gains greater than 44.44% at some point(s) during their investment in one year. Equity Content Guide 90%.</p>

I confirm that my attitude to risk is:

INVESTMENT / 10

REGULAR SAVINGS / 10

PENSION / 10

I confirm that I have read, understood and agree with the assessment and explanation of my Investor Profile in this questionnaire. Please now use this information to implement your recommendations based on the assessment.

Signature

Name

Date

DISCUSSION POINTS

This includes (but not be limited to) **and should capture the clients' words – to be replayed in SR**

- Why they are considering doing so now?
- Their capacity for loss.
- Their attitude to risk.
- Their investment objective.

*Maximise your returns with
a level of risk you're entirely
comfortable with*

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